

**STATEMENT OF PURPOSE****RS22368**

In response to a vendor challenge, the Department of Administration appointed a determinations officer to review a large procurement for the production and mailing of the Department of Health and Welfare's benefit notices. The determinations officer's review concluded that state agencies cannot evaluate the quality of offered printing or associated services when a component of the purchase involves printing. The agency must award the contract based only on price. This is problematic in procurements where poor quality of the printing or the associated services could result in costly damages to the state agency. For example, if the vendor violates HIPAA privacy laws in producing or mailing a notice for Medicaid benefits, the Department of Health and Welfare is subject to substantial penalties.

This legislation addresses the issue of the acquisition of mixed services and printing. Where the acquisition involves only printing, binding, engraving or stationery work, Idaho vendors will be awarded the contract unless the exceptions identified in the printing provisions apply. Where, however, the acquisition is for a mixture of services and printing, the process followed for all other procurements will be followed. This process includes a preference for Idaho vendors.

**FISCAL NOTE**

Any direct fiscal impact to agencies will be minimal.

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**Statement of Purpose / Fiscal Note****H0409**